



PRELIMINARY DRAFT

No. 3608

PREPARED BY
LEGISLATIVE SERVICES AGENCY
2006 GENERAL ASSEMBLY

DIGEST

Citations Affected: IC 12-17-2; IC 31-14-11; IC 31-16; IC 31-18-1-8; IC 31-33-1.5-8; IC 33-32-4.

Synopsis: State central collection unit. Establishes the state central collection unit (unit) within the child support bureau to collect and process noncash child support payments. Requires clerks of court (clerks) to collect and process cash child support payments. Deletes references to "other person" and "other governmental agency" in statutes concerning the unit. Requires a party affected by a child support order to notify the unit or a clerk of an address change. Makes technical corrections. Repeals a provision regarding noncash payments of child support to clerks.

Effective: July 1, 2006.



A BILL FOR AN ACT to amend the Indiana Code concerning family law and juvenile law.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 12-17-2-27 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 27. Each circuit court
3 clerk shall do the following:

4 (1) Receive ~~the~~ support money **paid in cash** assigned to the state
5 and paid under the terms of a court order in the clerk's jurisdiction
6 and pay the money to the Title IV-D agency within the time limits
7 established by P.L.93-647, as amended, and any related
8 regulations that are promulgated.

9 (2) Maintain all records concerning the payment or nonpayment
10 of support money that have been assigned to the state and transmit
11 the records to the Title IV-D agency upon request.

12 (3) Contract with the Title IV-D agency for the performance and
13 the remuneration for the performance of duties prescribed in this
14 section.

15 SECTION 2. IC 12-17-2-28 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 28. The amounts
17 appropriated for duties performed by prosecuting attorneys, circuit
18 court clerks, or other agents under this chapter shall be distributed
19 directly from the ~~division~~ **department of child services**.

20 SECTION 3. IC 31-14-11-2 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) The court may
22 order either or both parents to pay any reasonable amount for child
23 support after considering all relevant factors, including the following:

24 (1) The financial resources of the custodial parent.

25 (2) The standard of living the child would have enjoyed had the
26 parents been married and remained married to each other.

27 (3) The physical and mental condition of the child.

28 (4) The child's educational needs.

29 (5) The financial resources and needs of the noncustodial parent.

30 (b) The court shall order a custodial parent or third party under
31 section 9 of this chapter who receives child support to obtain an



account at a financial institution unless:

- (1) the custodial parent or third party files a written objection before a child support order is issued; and
- (2) the court finds that good cause exists to exempt the custodial parent or third party from the account requirement.

A custodial parent or third party ordered to obtain an account shall provide the clerk of the circuit court ~~or other person or entity acting as assignee or trustee for remittance~~ **and the state central collection unit** with an account number and any other information necessary to transfer funds to the account.

(c) In accordance with its policies, a financial institution may restrict or deny services to a person ordered to obtain an account under this section.

~~(d) This section may not be construed to require the clerk of the circuit court to remit child support payments by electronic funds transfer.~~

SECTION 4. IC 31-14-11-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. The court may order that support payments be made to any appropriate person. ~~or agency.~~

SECTION 5. IC 31-14-11-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 11. The court shall require that **child** support payments:

- (1) paid in cash** be made through the clerk of the court; ~~or the child support bureau under IC 12-17-2 and~~
- (2) paid in a noncash method be made through the state central collection unit;**

as trustee for remittance to the person entitled to receive the payments. ~~unless the court has reasonable grounds for providing or approving another method of payment.~~

SECTION 6. IC 31-14-11-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 15. **(a) A party affected by a support order shall inform the clerk and the state central collection unit of any change of address not more than fifteen (15) days after the party's address is changed.**

(b) At the time of the issuance or modification of a support order, the parties affected by the order shall inform the clerk **and state central collection unit** of:

- ~~(1) any change of address and any other conditions that may affect the administration of the order;~~
- ~~(2) (1)~~ whether any of the parties is receiving or has received assistance under the:
 - (A) federal Aid to Families with Dependent Children program (42 U.S.C. 601 et seq.); or**
 - (B) federal Temporary Assistance to Needy Families (TANF) program (45 CFR 265); and**
- ~~(3) (2)~~ the Social Security number of any child affected by the



order.

The Social Security number required under subdivision ~~(3)~~ (2) shall be kept confidential and used only to carry out the purposes of the Title IV-D program.

SECTION 7. IC 31-16-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. **(a) Except as provided in subsection (b), upon entering an order for support in:**

- (1) a dissolution of marriage decree under IC 31-15-2;
- (2) a legal separation decree under IC 31-15-3; or
- (3) a child support decree under IC 31-16-2;

the court shall require that support payments be made through the clerk of the circuit court **or the state central collection unit** as trustee for remittance to the person entitled to receive payments, unless the court has reasonable grounds for providing or approving another method of payment.

(b) Child support payments that are paid in cash must be paid to a clerk of the circuit court, and all noncash payments must be paid to the state central collection unit.

SECTION 8. IC 31-16-9-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 3. **(a) A party affected by a support order shall inform the clerk and the state central collection unit of any change of address not more than fifteen (15) days after the party's address is changed.**

(b) At the time of the issuance or modification of a support order, the parties affected by the order shall inform the clerk of the court and the state central collection unit of:

- ~~(1)~~ any change of address or other conditions that may affect the administration of the order;
- ~~(2)~~ (1) whether any of the parties is receiving or has received assistance under the:
 - (A) federal Aid to Families with Dependent Children program (42 U.S.C. 601 et seq.); or**
 - (B) federal Temporary Assistance to Needy Families (TANF) program (45 CFR 265); and**
- ~~(3)~~ (2) the Social Security number of any child affected by the order.

The Social Security number required under subdivision ~~(3)~~ (2) shall be kept confidential and used only to carry out the purposes of the Title IV-D program.

SECTION 9. IC 31-16-9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. The custodial parent and the noncustodial parent shall furnish the following information to the clerk of the court **and the state central collection unit** at the time of the issuance or modification of a child support order:

- (1) The parent's Social Security number.
- (2) The name and address of the parent's employer.



SECTION 10. IC 31-16-10-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. (a) If the clerk of the court **or the state central collection unit** is notified by the Title IV-D agency or the agency's designee that:

(1) the child who is the beneficiary of a support order is receiving assistance under the:

(A) federal Aid to Families with Dependent Children program (42 U.S.C. 601 et seq.); **or**

(B) **federal Temporary Assistance to Needy Families (TANF) program (45 CFR 265);** and

(2) an assignment of support rights in favor of the state is in effect against the person obligated to make child support payments; the clerk of the court **or the state central collection unit** shall forward the child support payments directly to the Title IV-D agency without further order of the court.

(b) The Title IV-D agency shall disburse the payments in accordance with federal regulations governing the Title IV-D program.

SECTION 11. IC 31-16-15-1, AS AMENDED BY P.L.234-2005, SECTION 85, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. (a) In a proceeding under IC 31-14 or IC 31-16-2 through IC 31-16-12 to establish, modify, or enforce a child support order, the court shall:

(1) enter an order for immediate income withholding; and

(2) modify any previously issued income withholding order that has not been activated under this chapter to provide for immediate income withholding.

(b) The court shall issue the income withholding order to the income payor not later than fifteen (15) calendar days after the court's determination.

(c) The income withholding order must order income payors to send to the state central collection unit **or other person specified in the support order** under:

(1) IC 31-14-11-11; **or**

~~(2) IC 31-16-4; or~~

~~(3) (2) IC 31-16-9;~~

the amount of income established by the court for child support at the time the order for child support is established, enforced, or modified.

(d) However, the court shall issue an income withholding order that will not become activated except upon the occurrence of the two (2) conditions described in section 2 of this chapter if:

(1) the parties submit a written agreement providing for an alternative child support arrangement; or

(2) the court determines that good cause exists not to require immediate income withholding.

(e) A finding of good cause under subsection (d)(2) must:

(1) be written; and



(2) include:

(A) all reasons why immediate income withholding is not in the best interests of the child; and

(B) if the case involves a modification of support, a statement that past support has been timely paid.

(f) The income withholding order must contain a statement that if the withholding order is activated, income payors will be ordered to send to the state central collection unit ~~or other person specified in the support order~~ under:

(1) IC 31-14-11-11; ~~or~~

~~(2) IC 31-16-4; or~~

~~(3) (2) IC 31-16-9;~~

the amount of income established by the court for child support **and any support or maintenance fees or payments as required by IC 33-37-5-6.**

SECTION 12. IC 31-16-15-4, AS AMENDED BY P.L.234-2005, SECTION 86, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. (a) This section applies to the implementation of income withholding under an order issued under sections 1 and 3 of this chapter.

(b) If the Title IV-D agency or the court becomes aware that the obligor has an income payor to whom a notice has not been sent under subsection (c) or an income payor to whom notice of delinquent support has not been sent under subsection (c):

(1) the Title IV-D agency in a case arising under Title IV-D of the federal Social Security Act (42 U.S.C. 651 through 669); or

(2) the court;

shall not later than fifteen (15) calendar days after becoming aware of an income payor send a written notice to the income payor that the withholding is binding on the income payor.

(c) The notice to an income payor under this section must contain a statement of the following:

(1) That the income payor is required to withhold a certain amount of income from the obligor.

(2) That the total amount to be withheld under court order by the obligor's income payor from the obligor's income is the sum of:

(A) the obligor's current child support obligation;

(B) an amount to be applied toward the liquidation of any arrearages; and

(C) an optional fee of two dollars (\$2), which is payable to and imposed at the option of the income payor, each time the income payor forwards income to the state central collection unit; ~~or other person specified in the notice;~~

up to the maximum amount permitted under 15 U.S.C. 1673(b).

(3) That the income payor shall:

(A) forward the withheld income described in subdivision



- 1 (2)(A) and (2)(B) to the state central collection unit ~~or other~~
 2 ~~person named in the notice~~ at the same time that the obligor is
 3 paid; and
 4 (B) include a statement identifying:
 5 (i) each cause number;
 6 (ii) the name of each obligor; ~~and~~
 7 (iii) the name of each payee with the withheld income
 8 forwarded by the income payor; **and**
 9 **(iv) the obligor's Social Security number.**
 10 (4) That withholding is binding upon the income payor until
 11 further notice from a Title IV-D agency.
 12 (5) That the obligor may recover from the income payor in a civil
 13 action an amount not less than one hundred dollars (\$100) if the
 14 income payor:
 15 (A) discharges the obligor from employment;
 16 (B) refuses the obligor employment; or
 17 (C) disciplines the obligor;
 18 solely because the income payor is required to forward income
 19 under this chapter.
 20 (6) That the income payor is liable for any amount that the income
 21 payor fails to forward under this chapter.
 22 (7) That withholding under this chapter has priority over any
 23 secured or unsecured claim on income except claims for federal,
 24 state, and local taxes.
 25 (8) That, if the income payor is required to withhold income from
 26 more than one (1) obligor, the income payor may:
 27 (A) combine in a single payment the withheld amounts for all
 28 obligors who have been ordered to pay the state central
 29 collection unit; ~~or other governmental agency~~; and
 30 (B) separately identify the part of the single payment that is
 31 attributable to each individual obligor.
 32 (9) That if:
 33 (A) there is more than one (1) order for withholding against a
 34 single obligor; and
 35 (B) the obligor has insufficient disposable earnings to pay the
 36 amount required by all the orders;
 37 the income payor shall distribute the withheld earnings pro rata
 38 among the entities entitled to receive earnings under the orders,
 39 giving priority to a current support withholding order. The income
 40 payor shall honor all withholdings to the extent that the total
 41 amount withheld does not exceed the limits imposed under 15
 42 U.S.C. 1673(b).
 43 (10) That the income payor shall implement withholding not later
 44 than the first pay date after fourteen (14) days following the date
 45 the notice was received.
 46 (11) That the income payor shall:



(A) notify:

(i) the Title IV-D agency if the Title IV-D agency gives the notice under this section; or

(ii) the court if the court gives the notice under this section; when the obligor ceases employment or no longer receives income not later than ten (10) days after the employment or income ceases; and

(B) provide:

(i) the obligor's last known address; and

(ii) the name and address of the obligor's new income payor, if known.

SECTION 13. IC 31-16-15-7, AS AMENDED BY P.L.234-2005, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 7. (a) Whenever an income withholding order is to be:

- (1) activated in a case arising under section 5 of this chapter; or
- (2) implemented by a Title IV-D agency under section 3 of this chapter despite the absence of a withholding order in the support order;

the Title IV-D agency shall send a written notice to the obligor.

(b) The notice required under subsection (a) must contain a statement of the following:

(1) Whether the obligor is delinquent in the payment of child support.

(2) The amount of child support, if any, that the obligor is in arrears.

(3) That a certain amount of income is to be:

(A) withheld under court order or action by the Title IV-D agency from the obligor's income; and

(B) forwarded to the state central collection unit. ~~or other person named in the notice.~~

(4) That the total amount to be withheld under court order or action by the Title IV-D agency by the obligor's income payor from the obligor's income is the sum of:

(A) the obligor's current monthly child support obligation;

(B) an amount to be applied toward the liquidation of any arrearages; and

(C) an optional fee of two dollars (\$2), which is payable to and imposed at the option of the income payor, each time the income payor forwards income to the ~~clerk of the court or other person specified in the notice~~ **state central collection unit** to the income payor under this chapter;

up to the maximum amount permitted under 15 U.S.C. 1673(b).

(5) That the provision for withholding applies to the receipt of any current or subsequent income.

(6) That the only basis for contesting activation of income



withholding is a mistake of fact.

(7) That an obligor may contest the Title IV-D agency's determination to activate income withholding by making written application to the Title IV-D agency not later than twenty (20) days after the date the notice is mailed.

(8) That if the obligor contests the Title IV-D agency's determination to activate the income withholding order, the Title IV-D agency shall schedule an administrative hearing.

(9) That if the obligor does not contest the Title IV-D agency's determination to activate the income withholding order, the Title IV-D agency will activate income withholding.

(10) That income withholding will continue until a court or the Title IV-D agency terminates activation of income withholding.

SECTION 14. IC 31-16-15-8, AS AMENDED BY P.L.234-2005, SECTION 88, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. (a) If a petition to activate an income withholding order is filed under section 6(2) or 6(3) of this chapter, the court shall set a date for a hearing on the petition that is not later than twenty (20) days after the date the petition is filed. The court shall send a summons and a written notice to the obligor. The notice must contain a statement of the following:

(1) Whether the obligor is delinquent in the payment of child support.

(2) The amount of child support, if any, that the obligor is in arrears.

(3) That a certain amount for the payment of current and past due child support is to be withheld each month from the obligor's income and forwarded to the state central collection unit. ~~or other person named in the notice.~~

(4) That the total amount to be withheld each month by the obligor's income payor from the obligor's income is the sum of:

(A) the obligor's current monthly child support obligation;

(B) an amount to be applied toward the liquidation of any arrearages; and

(C) an optional fee of two dollars (\$2), which is payable to and imposed at the option of the income payor, each time the income payor forwards income to the state central collection unit; ~~or other person named in the notice;~~

up to the maximum amount permitted under 15 U.S.C. 1673(b).

(5) That the provision for withholding applies to receipt of any current or subsequent income.

(6) That any of the following constitutes a basis for contesting the withholding:

(A) A mistake of fact.

(B) The parties have submitted a written agreement providing for an alternative child support arrangement.



1 (C) A court determines that good cause exists not to require
2 immediate income withholding.

3 (7) That income withholding will continue until the activation of
4 the income withholding order is terminated by the court.

5 (8) That if the obligor does not appear at the hearing, the court
6 will activate the income withholding order.

7 (b) If:

8 (1) the obligor does not appear at the hearing on the petition filed
9 under section 6(2) or 6(3) of this chapter; or

10 (2) the court grants the petition;

11 the court shall activate the income withholding order by mailing a
12 written notice to the income payor as provided in section 10 of this
13 chapter.

14 SECTION 15. IC 31-16-15-10, AS AMENDED BY P.L.234-2005,
15 SECTION 89, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2006]: Sec. 10. (a) To activate or implement an income
17 withholding order, in addition to the notice requirements imposed by
18 sections 7 and 8 of this chapter:

19 (1) the Title IV-D agency in a case arising under section 3 or 5 of
20 this chapter; or

21 (2) the court in a case arising under section 6 of this chapter;
22 shall mail a written notice to each income payor not later than fifteen
23 (15) calendar days after the issuance of the income withholding order.

24 (b) The notice to each income payor must contain a statement of the
25 following:

26 (1) That the income payor is required to withhold a certain
27 amount of income from the obligor.

28 (2) That the total amount to be withheld each month by the
29 obligor's income payor from the obligor's income is the sum of:

30 (A) the obligor's current monthly child support obligation;

31 (B) an amount to be applied toward the liquidation of any
32 arrearages; and

33 (C) an optional fee of two dollars (\$2), which is payable to and
34 imposed at the option of the income payor, each time the
35 income payor forwards income to the state central collection
36 unit; ~~or other person named in the notice;~~

37 up to the maximum amount permitted under 15 U.S.C. 1673(b).

38 (3) That the income payor shall:

39 (A) forward the withheld income described in subdivision

40 (2)(A) and (2)(B) to the state central collection unit ~~or other~~
41 ~~person named in the notice~~ at the same time that the obligor is
42 paid; and

43 (B) include a statement identifying:

44 (i) each cause number;

45 (ii) the Indiana support enforcement tracking system
46 (ISETS) case number;



- 1 (iii) the name of each obligor;
- 2 (iv) the name of each payee with the withheld income
- 3 forwarded by the income payor; and
- 4 (v) the obligor's Social Security number.
- 5 (4) That withholding is binding upon the income payor until
- 6 further notice.
- 7 (5) That the obligor may recover from the income payor in a civil
- 8 action an amount not less than one hundred dollars (\$100) if the
- 9 income payor:
- 10 (A) discharges the obligor from employment;
- 11 (B) refuses the obligor employment; or
- 12 (C) disciplines the obligor;
- 13 because the income payor is required to forward income under
- 14 this chapter.
- 15 (6) That the income payor is liable for any amount that the income
- 16 payor fails to forward under this chapter.
- 17 (7) That withholding under this chapter has priority over any
- 18 secured or unsecured claim on income except claims for federal,
- 19 state, and local taxes.
- 20 (8) That, if the income payor is required to withhold income from
- 21 more than one (1) obligor, the income payor may:
- 22 (A) combine in a single payment the withheld amounts for all
- 23 obligors who have been ordered to pay the state central
- 24 collection unit; ~~or other governmental agency~~; and
- 25 (B) separately identify the part of the single payment that is
- 26 attributable to each individual obligor.
- 27 (9) That if:
- 28 (A) there is more than one (1) order for withholding against a
- 29 single obligor; and
- 30 (B) the obligor has insufficient disposable earnings to pay the
- 31 amount required by all the orders;
- 32 the income payor shall distribute the withheld earnings pro rata
- 33 among the entities entitled to receive earnings under the orders,
- 34 giving priority to a current support withholding order, and shall
- 35 honor all withholdings to the extent that the total amount withheld
- 36 does not exceed the limits imposed under 15 U.S.C. 1673(b).
- 37 (10) That the income payor shall implement withholding not later
- 38 than the first pay date after fourteen (14) days following the date
- 39 the notice was received.
- 40 (11) That the income payor shall:
- 41 (A) notify:
- 42 (i) the Title IV-D agency in a case arising under section 5 of
- 43 this chapter; or
- 44 (ii) the court in a case arising under section 1 or 6 of this
- 45 chapter;
- 46 when the obligor terminates employment or ceases to receive



1 other income not later than ten (10) days after termination; and
 2 (B) provide:
 3 (i) the obligor's last known address; and
 4 (ii) the name and address of the obligor's new income payor
 5 if known.

6 SECTION 16. IC 31-16-15-15, AS AMENDED BY P.L.234-2005,
 7 SECTION 90, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2006]: Sec. 15. (a) An income payor that is required to
 9 withhold income under this chapter shall:

10 (1) forward income withheld for the payment of current and past
 11 due child support to the state central collection unit ~~or other~~
 12 ~~person named in the notice~~ at the same time that the obligor is
 13 paid;

14 (2) include a statement identifying:

15 (A) each cause number;

16 (B) the Indiana support enforcement tracking system (ISETS)
 17 case number;

18 (C) the name of each obligor and the obligor's Social Security
 19 number; and

20 (D) the name of each payee with the withheld income
 21 forwarded by the income payor; and

22 (3) implement withholding not later than the first pay date after
 23 fourteen (14) days following the date the notice was received.

24 (b) The income payor may retain, in addition to the amount required
 25 to be forwarded to the state central collection unit under subsection (a),
 26 a fee of two dollars (\$2) from the obligor's income each time the
 27 income payor forwards income to the state central collection unit ~~or~~
 28 ~~other person specified in the notice~~ to an income payor under this
 29 chapter. If the income payor elects to withhold the fee, the amount to
 30 be withheld for the payment of current and past due child support must
 31 be reduced accordingly if necessary to avoid exceeding the maximum
 32 amount permitted to be withheld under 15 U.S.C. 1673(b).

33 SECTION 17. IC 31-16-15-16, AS AMENDED BY P.L.234-2005,
 34 SECTION 91, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2006]: Sec. 16. (a) Except as provided in subsection (b), if the
 36 income payor is required to withhold income from more than one (1)
 37 obligor under this chapter, the income payor may:

38 (1) combine in a single payment the withheld amounts for all
 39 obligors who have been ordered to pay to the state central
 40 collection unit; ~~or other governmental agency~~; and

41 (2) separately identify the part of the single payment that is
 42 attributable to each individual obligor.

43 (b) If the income payor:

44 (1) is required to withhold income from more than one (1) obligor
 45 under this chapter; and

46 (2) employs more than fifty (50) employees;



the income payor shall make payments to the state central collection unit through electronic funds transfer or through electronic or Internet access made available by the state central collection unit.

(c) The department of child services shall assess a civil penalty of twenty-five dollars (\$25) per obligor per pay period against an income payor that:

(1) is required to make a payment under subsection (b); and

(2) does not make the payment through electronic funds transfer or other means described in subsection (b).

The department shall deposit the penalties into the state general fund.

SECTION 18. IC 31-16-15-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 20. The clerk of the court, **for cash payments, and the state central collection unit, for noncash payments**, shall:

(1) pay the income forwarded by the income payor to the person entitled to receive child support payments; and

(2) maintain records to monitor and document the receipt and payment of income under this chapter.

SECTION 19. IC 31-16-19-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 1. (a) If:

(1) an individual, by the terms of a court order or decree, is ordered to pay support money to or for the dependent wife, husband, father, **or mother or child** of the individual; and

(2) the:

(A) dependents are being supported in whole or in part by public money; or

(B) parent of the dependents has sought the assistance of the agency designated to administer Title IV-D of the federal Social Security Act (42 U.S.C. 651 through 669);

the court shall order that the payment of the support money be made to the clerk of the circuit court of the county in which the decree or order is entered.

(b) If the support order is for a child:

(1) who qualifies for assistance under IC 12-14-1-1; or

(2) whose parent has sought the assistance of the agency designated to administer Title IV-D of the federal Social Security Act (42 U.S.C. 651 through 669);

the court shall order that the payment of the support be made to the agency of state government designated to administer Title IV-D of the federal Social Security Act (42 U.S.C. 651 through 669) in compliance with the federal regulations established for the administration of Title IV-D of the federal Social Security Act (42 U.S.C. 651 through 669).

(c) The order must contain:

(1) the date when the first support payment is to be made; and

(2) the frequency of the payments.

SECTION 20. IC 31-16-19-2 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2. If the court enters a
 2 decree or an order under ~~section 1~~ **section 1(a)** of this chapter, the clerk
 3 shall:

4 (1) immediately set up an appropriate account system in the case;
 5 and

6 (2) maintain a continuous record of the payments to each account.

7 SECTION 21. IC 31-18-1-8 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. "Income withholding
 9 order" means an order or other legal process directed to an obligor's
 10 income payor to withhold:

11 (1) support; and

12 (2) **support fees and maintenance fees as described in**
 13 **IC 33-37-5-6;**

14 from the income of the obligor.

15 SECTION 22. IC 31-33-1.5-8, AS ADDED BY P.L.234-2005,
 16 SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2006]: Sec. 8. (a) The child support bureau is created within
 18 the department of child services. The bureau is charged with the
 19 administration of Title IV-D of the federal Social Security Act.

20 (b) The state's plan for the administration of Title IV-D must comply
 21 with all provisions of state law and with the federal statutes and
 22 regulations governing the program.

23 (c) **The state central collection unit is established within the**
 24 **child support bureau. The unit shall collect all noncash child**
 25 **support payments and processing child support paid through**
 26 **income withholding.**

27 SECTION 23. IC 33-32-4-5 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5. The clerk is not
 29 personally liable or liable in the clerk's official capacity on the clerk's
 30 official bond for funds received if the clerk:

31 (1) through error or in accordance with the best information
 32 available to the clerk, disbursed the funds to a person the clerk
 33 reasonably believed to be entitled to receive the funds and to
 34 comply with a:

35 (A) child support order; or

36 (B) garnishment order;

37 (2) inappropriately disbursed or misapplied child support funds,
 38 arising without the knowledge or approval of the clerk, that
 39 resulted from:

40 (A) an action by an employee of, or a consultant to, the
 41 ~~division of family and children;~~ **department of child services**
 42 **or the Title IV-D agency;**

43 (B) an ISETS technological error; or

44 (C) information generated by ISETS;

45 (3) disbursed funds that the clerk reasonably believed were
 46 available for disbursement but that were not actually available for



1 disbursement;
2 (4) disbursed child support funds paid to the clerk by a personal
3 check that was later dishonored by a financial institution; and
4 (5) did not commit a criminal offense as a part of the
5 disbursement.
6 SECTION 24. IC 33-32-4-9 IS REPEALED [EFFECTIVE JULY 1,
7 2006].

